

WILLMAR CITY COUNCIL PROCEEDINGS
COUNCIL CHAMBERS
WILLMAR MUNICIPAL UTILITIES BUILDING
WILLMAR, MINNESOTA

September 6, 2016
7:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Honorable Mayor Marv Calvin. Members present on a roll call were Mayor Marv Calvin, Council Members Audrey Nelsen, Steve Ahmann, Denis Anderson, Rick Fagerlie, Shawn Mueske, Andrew Plowman, Ron Christianson and Tim Johnson. Present 9, Absent 0.

Also present were City Administrator Larry Kruse, City Clerk-Treasurer Kevin Halliday, Public Works Director Sean Christensen, Police Chief Jim Felt, Community Education and Recreation Director Steve Brisendine, Planning and Development Services Director Bruce Peterson, Fire Chief Frank Hanson, and City Attorney Robert Scott.

Proposed additions and deletions to the agenda include comments from City Administrator Larry Kruse at the end of the meeting.

Council Member Christianson offered a motion to adopt the Consent Agenda which included the following items: City Council Minutes of August 15, City Council Minutes of August 31, Rice Memorial Hospital Board Minutes of August 17, Willmar Municipal Utilities Board Minutes of August 22, Planning Commission Minutes of August 24, Application for Exempt – Knights of Columbus, Application to Conduct Excluded Bingo – Church of St. Mary, Application for Exempt Permit – Pheasants Forever of Kandiyohi County 32, Accounts Payable Report through August 31, Willmar Lakes Area CVB Minutes of June 21, Willmar Community & Activity Center Minutes of July 16, Police Commission Minutes of July 26, Board of Zoning Appeals Minutes of August 15, Willmar CER Joint Powers Board Minutes of August 26, and Willmar Park Board Minutes of August 31, 2016. Council Member Ahmann seconded the motion, which carried.

At 7:01 p.m. Mayor Calvin opened the Hearing for the consideration of a request from Rock Step Willmar LLC that the City abate taxes for the years 2017 through 2026. Planning and Development Services Director Bruce Peterson stated the company plans to renovate the existing former Kmart building and construct a new satellite facility with an estimated market value of over \$6 million. The request was brought to the City by the Economic Development Commission. The request by RockStep is to have taxes abated for the first two years to reflect the increased value that was placed on the property following their purchase. Estimated impacts of the abatement show a \$100,000 home would see an increase of \$3.66 per year in their taxes and a \$250,000 valued home an approximate increase of \$9.00 per year.

Aaron Backman, EDC Director, stated the EDC Board unanimously approved the abatement and County Board also met and approved the abatement for the Kandi Mall Rehabilitation Project. RockStep is seeking a ten-year abatement for the project. It would be 100% for the first eight years and 80% for the final two years.

Jon Grabow, Willmar, MN, stated this is a great opportunity for the Council to follow suit with what the County approved and send a message to the business community to say Willmar is open for business.

There being no one further to speak for or against the tax abatement, Mayor Calvin closed the hearing at 7:10 p.m.

During discussion, Council Member Christianson read an email from a small business owner in Willmar expressing concern of competing against the other businesses in the community that have received tax abatements.

Todd Hagen, Senior Municipal Advisor of Ehlers and Associates working on behalf of the EDC spoke noting the hearing is also called a 116J Business Subsidy hearing under Minnesota Statutes and responded to Council Member Mueske's question about claw back provisions and the benchmarks that have to be achieved. Some details include that after two years the company must create at least 60 new jobs at a minimum of \$12 per hour to satisfy the business goals. Failure to meet this goal means the City, School and County can require reimbursement.

Tommy Stewart, Property Management/Leasing with RockStep spoke in relation to the milestones of the 6,500 SF building slated to be completed by the end of 2017. Usually the larger, vacant anchor boxes are targeted with a history of completing them well ahead of schedule and predicted this project to be a staged-type of build out with retail tenants.

Resolution No. 1 was introduced by Council Member Fagerlie, seconded by Council Member Mueske, reviewed by Mayor Calvin, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 1

RESOLUTION APPROVING PROPERTY TAX ABATEMENTS FOR THE KANDI MALL REHABILITATION PROJECT

BE IT RESOLVED by the City Council (the "Council") of the City of Willmar, Minnesota (the "City"), as follows:

1. Recitals.

(a) RockStep Willmar LLC (the "Company") has requested the City to abate the City's share of property taxes applicable to (i) the increase in the existing value of the property from taxes payable in 2016 and 2017; and (ii) the increase in property taxes caused by the new development of the property to be generated for 10 years (specifically, with respect to the payable 2017 through 2026 property taxes) on Parcel Nos. 95 923 8640, 95 923-8632 and 95-923-8631 (the "Property"). The Company has purchased the parcels and intends to renovate the existing structure and construct a new facility with an estimated completed market value of \$6,722,200 (the Project) located in the City. Abatement assistance may be used for costs related to demolition and site improvements.

(b) On the date hereof, the Council held a public hearing on the question of the Abatement, and said hearing was preceded by at least 10 days but not more than 30 days prior published notice hereof.

(c) The Abatement is authorized under Minnesota Statutes, Sections 469.1812 through 469.1815 (the "Abatement Law").

2. Findings for the Abatement. The Council hereby makes the following findings:

(a) The Council expects the benefits to the City of the Abatement to at least equal the costs thereof.

(b) Granting the Abatement is in the public interest because it will increase or preserve the tax base of the City, help retain and expand commercial and industrial enterprise in the City, and provide employment opportunities in the City.

(c) The Council expects the public benefits described in (b) above to be derived from the Abatement.

(d) The Property is not located in a tax increment financing district.

(e) In any year, the total amount of property taxes abated by the City by this and other resolutions does not exceed the greater of ten percent (10%) of the net tax capacity of the City or \$200,000.

3. Terms of Abatement. The Abatement is hereby approved. The terms of the abatement are as follows:

(a) The Abatement shall be for a maximum of 10 years and shall apply to the taxes payable in the years 2017 through 2026, inclusive.

(b) The City will abate the increased portion of the City's share of ad valorem property taxes on the Property resulting from the Project and paid by the Company, beginning with taxes payable in 2017 and continuing through taxes payable in 2026, as follows:

(1) For the years 2017 through 2024, 100 percent of the increased portion of the City's share of ad valorem property taxes on the Property resulting from the Project; and

(2) For the years 2025 and 2026, 80 percent of the increased portion of the City's share of ad valorem property taxes on the Property resulting from the Project.

(c) The increased portion of the City's share of ad valorem property taxes on the Property which will be subject to abatement under this paragraph shall be any property taxes collected in any given year in excess of the 2016 base tax capacity for the Property of \$185,806.

(d) The abatement (the "Abatement") for the 10-year period shall not exceed \$375,260.

(e) The abatement may not be modified or changed during its term.

(f) The Abatement shall be subject to all the terms and limitations of the Abatement Law.

(g) In order to be entitled to the Abatement, the Company shall not be in default within the City of any of its payment obligations respecting any taxes, assessments, utility charges or other governmental impositions.

(h) All terms will be subject to final approval of the Development Agreement between the taxing jurisdictions and the Company.

Dated this 6th day of September, 2016.

/s/ Marv Calvin
Mayor

/s/ Kevin Halliday
Attest: City Clerk

At 7:40 p.m. Mayor Calvin opened the Hearing for the consideration of an Ordinance to Rezone APMC Parcels from R-2 and LB to GB. Planning and Development Services Director Bruce Peterson presented the request from APMC to rezone some parcels they own adjacent to their clinic at the intersection of Willmar Avenue and First Street. The reason for the rezoning is to bring all of their property there under a similar zoning classification to allow for the construction of a new surgery center in partnership with Rice Hospital. The rezoning has been approved by the Planning Commission and it is staff's recommendation to adopt the ordinance.

Council Member Christianson offered a motion to adopt, assign a number and order final publication of the Ordinance Amending the Zoning Ordinance by rezoning the property from R-2 and LB to GB. Council Member Mueske seconded the motion, which carried on a roll call vote of 8 Ayes, 0 Noes.

At 7:42 p.m. Mayor Calvin opened the Hearing for Special Assessments for Unpaid Weed/Grass Mowing. There being no one to speak for or against the certification of special assessment fees for unpaid weed and grass mowing, Mayor Calvin closed the hearing at 7:42 p.m.

Resolution No. 2 was introduced by Council Member Anderson, seconded by Council Member Christianson, reviewed by Mayor Calvin, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 2

WHEREAS, Chapter 9, Article III of the Willmar Municipal Code states that such unpaid weed or grass mowing costs represent a lien of the real property receiving mowing services; and

WHEREAS, THE City Council of the City of Willmar has offered the owner his right to request an appearance before the Council to make objections to payment;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar that the amount of the unpaid weed / grass mowing charges totaling \$1,982.56 be certified to the County Auditor to be extended on the tax rolls of such real property in the same manner as other taxes for collecting in 2017 and collected by the County Treasurer, and paid to the City Clerk-Treasurer along with other taxes; and

BE IT FURTHER RESOLVED that the unpaid weed or grass charges be certified against the real property as follows:

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|----|--|----------|
| 1. | Parcel No. 95-470-0070 Located at 718 4 th Street SE; and Described as Section 14, Township 119, Range 35, Lot 7 LARSON'S ADDITION TO THE CITY OF WILLMAR | \$152.32 |
| 2. | Parcel No. 95-280-2060 Located at 922 2 nd Street SW; and Described as Section 15, Township 119, Range 35, Lot 6, Block 12 HANSON'S ADDITION TO WILLMAR | \$163.01 |
| 3. | Parcel No. 95-320-0410 Located at 500 13 th Street SW; and Described as Section 15, Township 119, Range 35, Lot 1, Block 4 HIGHLAND PLACE IN THE CITY OF WILLMAR | \$189.72 |
| 4. | Parcel No. 95-006-1610 Located at 602 2 nd Street SW; and Described as Section 15, Township 119, Range 35, Block 68 FIRST ADDITION TO THE CITY OF WILLMAR LOTS 1&2 EXC. W 15FT. | \$191.07 |
| 5. | Parcel No. 95-006-3420 Located at 707 8 th Street SW; and Described as Section 15, Township 119, Range 35, Block 80 FIRST ADDITION TO THE CITY OF WILLMAR LOT 12 & S1/2 OF LOT 13 | \$152.32 |
| 6. | Parcel No. 95-665-0260 Located at 1101 Olena Avenue SE; and Described as Section 14, Township 119, Range 35, Lot 16, Block 2 PERKINS FIFTH ADDITION | \$163.01 |

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|-----|---|----------|
| 7. | Parcel No. 95-820-0510 Located at 836 Olaf Avenue NW; and Described as Section 10, Township 119, Range 35, Block 3 THORPE & LIEN'S ADDITION TO THE CITY OF WILLMAR LOT 7 OF SUBDIV. OF LOT 4 | \$191.07 |
| 8. | Parcel No. 95-740-2130 Located at 605 2 nd Street SE; and Described as Section 14, Township 119, Range 35, Lot 13, Block 13 SPICER'S ADDITION TO WILLMAR | \$163.01 |
| 9. | Parcel No. 95-006-0470 Located at 521 8 th Street SW; and Described as Section 15, Township 119, Range 35, Lot 8, Block 60 FIRST ADDITION TO THE CITY OF WILLMAR | \$152.32 |
| 10. | Parcel No. 95-914-2080 Located at 802 Mary Avenue SE; and Described as Section 14, Township 119, Range 35 PART OF M. JOHNSON'S OUTLOT NO. 1 COM AT A PT 575' E FROM INTERSECTION OF E LINE OF 6TH ST E & S LINE OF MARY AVE E 75' S 150', W 75', N 150' TO BEG | \$191.07 |
| 11. | Parcel No. 95-250-0900 Located at 936 3 rd Street SE; and Described as Section 14, Township 119, Range 35, Lot 10, Block 5 GLARUM'S ADDITION TO WILLMAR | \$273.64 |

Dated this 6th day of September, 2016.

/s/ Marv Calvin
Mayor

/s/ Kevin Halliday
Attest: City Clerk

At 7:43 p.m. Mayor Calvin opened the Hearing for Special Assessments for Unpaid Nuisances in General. The charges were incurred in boarding up and securing of an inhabitable building at 836 Olaf Avenue NW. There being no one to speak for or against the certification of special assessment fees for the unpaid nuisance, Mayor Calvin closed the hearing at 7:43 p.m.

Resolution No. 3 was introduced by Council Member Fagerlie, seconded by Council Member Ahmann, reviewed by Mayor Calvin, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 3

WHEREAS, Chapter 9, Article I of the Willmar Municipal Code concerning the boarding up and securing of an inhabitable building by the City. The cost of such removal or remedial measures shall be assessed by action of the City Council against the property, under such terms and conditions as the City Council may require; and

WHEREAS, THE City Council of the City of Willmar has offered the owner his right to request an appearance before the Council to make objections to payment;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar that the amount of the unpaid nuisance charges totaling \$157.61 be certified to the County Auditor to be extended on the tax rolls of

such real property in the same manner as other taxes for collecting in 2017 and collected by the County Treasurer, and paid to the City Clerk-Treasurer along with other taxes; and

BE IT FURTHER RESOLVED that the unpaid nuisance charges be certified against the real property as follows:

1. Parcel No. 95-820-0510 \$157.61
Located at 836 Olaf Avenue NW; and
Described as Section 10, Township 119, Range 35, Block 3
THORPE & LIEN'S ADDITION
LOT 7 OF SUBDIV. OF LOT 4

Dated this 6th day of September, 2016.

/s/ Marv Calvin
Mayor

/s/ Kevin Halliday
Attest: City Clerk

Mayor Calvin thanked the members of the Airport Commission for their hard work on the excellent event held on September 4th in celebration of the airport's 10-Year Anniversary.

Stephen Deleski, 101 5th Street SW, requested to address the Council during the Open Forum. Mr. Deleski stated he attended the Open House for the Wye Project where he met a representative from BNSF and questioned how many trains will be diverted a day. Mr. Deleski questioned why 19,000 residents care if there is a Wye? Spending \$50 million for the stated diversion of 7-10 trains a day is a lot of money.

Mayor Calvin read a Proclamation declaring September 11 – 17, 2016 to be “Honor the Badge Week” in honor of the sworn police officers and deputies that serve with distinction while putting themselves at risk for the sake of common good.

The Finance Committee Report of August 22, 2016 was presented to the Mayor and Council by Council Member Anderson. There were five items for consideration.

Item No. 1 There were no comments from the public.

Item No. 2 Finance Director Okins explained to the Committee that the 2015 Comprehensive Annual Financial Report (CAFR), as submitted to the State Auditor's office, is presented annually to the Council for review. Over the last couple of meetings, the Finance Committee has reviewed and discussed the Management Letter, Footnotes, and General Fund Budget-To-Actual Comparison sections of this report, including discussion of cash and fund balances. It was noted that the 2015 CAFR was distributed to the Council Members and also can be found on the City's website.

David Euerle of Westberg & Eischens reviewed their Governance Communication Letter with the Committee in which GASB 68 was discussed as it relates to the City of Willmar's part of the PERA Pension Plan Liability. As of December 31, 2015, the City's share totaled \$5.9 million. Of that amount, \$5.3 million was recorded for prior years with \$600,000 recorded for the current year of 2015.

The Governance Communication Letter also made some recommendations for policy improvements. One area was in budget management where the legal level of budget control is at the department level. To date, the Council had been authorizing budget amendments when circumstances change during the year. However, there is no formal action taken when department expenditures exceed the budget. It is recommended the Council implement policies for formally authorizing a department to exceed the budget. It was noted that the Committee has already established a new process of receiving requested budgetary amendments quarterly. Mr. Euerle felt this would be an appropriate improvement to the City's process.

Another area of recommended policy improvements was in the fund balances. The City has already adopted a formal fund balance policy which states that fund balances can only be committed by formal action by the City Council. Many of the committed balances in the general fund are not supported by a council resolution. It was being recommended that the Council pass a resolution specifying the purpose of the committed amounts.

Mr. Euerle also provided a presentation on the General Fund Revenues, General Fund and Capital Improvement Funds Fund Balances, Fund Balances versus Expenditures, and the Waste Treatment Fund. Waste Treatment Rates have been set through 2017 incorporating the requirements of maintaining six months of operating funds and twelve months of debt service funds on hand. It was noted that the City is on pace with that requirement.

Additional discussion included information in the 2015 Financial Statements, the requirement for 2016 regarding the disclosure of the details of any tax abatements approved by the Council, and the need to develop a plan to address concerns of how internal controls will be impacted by the Treasurer's duties being transferred to the Finance Department. This matter was received by the Council for information only.

Item No. 4 Staff explained to the Committee that the National Automated Clearing House Association (NACHA) is implementing the "Same Day ACH" Rule which will be spread over three phases. The "Same Day ACH" Rule opens the door to same-day processing of virtually any domestic ACH Payment. Effective September 23, 2016, Phase I of the "Same Day ACH" Rule goes into effect and applies to credits only (i.e. payroll). Phase 2 is planned for September 15, 2017, and will allow for "Same Day ACH" debit transactions. Phase 3 is planned for March 16, 2018. This last phase will require financial institutions to credit "Same Day ACH" transactions by 5:00 PM local time. The Council received this matter for information only.

Item No. 5 Staff explained to the Committee that there are six lots in Oslo Meadows that were sold in late 2015 which require additional assessment for the 2005 Street & Other Improvements. These sales were too late to make the November 1, 2015, certification deadline for Kandiyohi County. The sale prices for two of the lots were remitted to the City of Willmar with the normal County Settlement. The four remaining lots were sold on a Contract for Deed with Kandiyohi County. For those four lots, the County Auditor will remit the total sale price to the City only when paid in full which is anticipated to be about three to four years from now. Given the known sale prices, staff has determined that the remaining two years of the 2005 Special Assessments for these six parcels will be unpaid. Staff is requesting that the Council hold a public hearing on September 19, 2016, to take testimony from the new buyers and then certify the remaining dollar amount against the said parcels for five years at the stated project interest rate of 5.5%. The six lots in question are as follows:

| <u>Name</u> | <u>Parcel ID</u> | <u>Description</u> | <u>Sale Price</u> | <u>Pending Assessment</u> |
|------------------------------|------------------|--------------------|-------------------|---------------------------|
| Robin A. Javaherian | 95-604-0060 | Blk-1, Lot 6 | \$7,686.00 | \$2,325.76 |
| Robin A. Javaherian | 95-604-0080 | Blk-1, Lot 8 | \$7,864.00 | \$2,325.76 |
| David M. and Karen M. Cram | 95-604-0430 | Blk-3, Lot 24 | \$7,760.00 | \$2,325.76 |
| David M. and Karen M. Cram | 95-604-0440 | Blk-3, Lot 25 | \$7,682.00 | \$2,325.76 |
| John H. and Debra L. Schmitz | 95-604-0450 | Blk-3, Lot 27 | \$7,682.00 | \$2,325.76 |
| John H. and Debra L. Schmitz | 95-604-0460 | Blk-3, Lot 27 | \$7,674.00 | \$2,325.76 |

It was the recommendation of the Committee that the Council set a public hearing for 7:01 p.m. on September 19, 2016, for the Oslo Meadows 2005 Street & Other Improvements Special Assessments remaining due on the six parcels as presented. Council Member Anderson moved the recommendation of the Committee to set the hearing. Council Member Fagerlie seconded the motion, which carried.

Item No. 6 Staff reported to the Committee on the condition of the Fire Station roof. Whenever there is a hard rain or melting snow, the roof leaks which has caused damage to the suspended ceiling as well to electrical fixtures, making it unsafe for employees to work. The roof is also pulling away from the sides of

the building. Over the years there have been several repairs done but it is now time for a total replacement. The existing roof over the garage area and office area of the fire station was last replaced in 1996 and the roof over the training room addition that was constructed in 1990 has never been replaced. Two quotes have been received for installing 60 mil roofing material with a 20-year warranty: ROOF 1 – RBR, Inc. of Freeport for \$60,177 and West Central Roofing of Willmar for \$77,303.90. This fire station roof replacement project was approved in the 2016 CIP Budget for \$48,500. It is recommended that the additional \$11,677 be taken from the Fire Department’s 2016 Operating Budget for Building Maintenance.

The recommendation of the Committee to the Council was approve the low bid from ROOF 1 – RBR, Inc. of Freeport in the amount of \$60,177 to replace the fire station roof and that \$11,677 be transferred from the 2016 Fire Department Operating Building Maintenance Budget to cover the additional cost over the 2016 CIP Budget for this project.

Resolution No. 4 was introduced by Council Member Fagerlie, seconded by Council Member Ahmann, reviewed by Mayor Calvin, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 4

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, the quote of Haats Masonry, LLC for removal and replacement of the concrete driveway at the Willmar Fire Station is accepted, and be it further resolved the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$30,223.40.

Dated this 6th day of September, 2016.

/s/ Marv Calvin

Mayor

/s/ Kevin Halliday

Attest: City Clerk

The Finance Committee Report for August 22, 2016, was approved as presented and ordered placed on file in the City Clerk’s Office upon motion by Council Member Anderson, seconded by Council Member Christianson.

The Public Works/Safety Committee Report of August 23, 2016 was presented to the Mayor and Council by Council Member Christianson. There were seven items for consideration.

Item No. 1 There were no comments from the public.

Item No. 2 Chief Felt noted the jail census for August 23, 2016 was 113; 32 inmates from the Department of Corrections, 65 inmates from Kandiyohi County and 16 inmates from other counties. The calls for service since August 9, 2016 totaled 778 and are 6 days ahead of this date last year. The majority of calls for the last two weeks were for traffic stops, followed by public assists and abandoned vehicles.

Chief Hanson noted total Fire Department total calls for service in the previous weeks totaled 27. The total calls for service this year is 216, compared to 229 calls in 2015. The dispatch to en route time is currently 3 minutes 25 seconds.

Chief Felt also mentioned the Willmar Police Department will be holding a new event - Pop with a Cop on Thursday, September 1st from 1-3pm at Miller Park. This program is sponsored by Bernick’s Pepsi with hopes to get law enforcement connected with the youth.

Council Member Ahmann expressed concern with the uncontrolled intersection of 9th Street Southwest/Becker Avenue Southwest. Staff explained they have looked at this intersection on numerous

occasions and at this time it doesn't warrant a stop sign. Council Member Ahmann made a motion to direct staff to install a stop sign, the motion died due to lack of second. The Council received the updates for information only.

Item No. 4 Chief Felt noted the Willmar Police Department has been active in the DARE program since 1990, teaching 5th grade students in Willmar Schools. The Wal-Mart Foundation has been a regular contributor for over 10 years to the DARE program. If approved, grant funds would be used for instructor training and development and curriculum materials for students.

The Committee's recommendation to the Council to approve the Willmar Police Department to apply and accept a \$1,000 grant from Wal-Mart Foundation for the DARE program.

Resolution No. 5 was introduced by Council Member Christianson, seconded by Council Member Nelsen, reviewed by Mayor Calvin, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 5

Be it resolved, by the City Council of the City of Willmar to support staff's submittal of a grant application to Wal-Mart Foundation for, and the acceptance of, a \$1,000 grant for the DARE Program.

Dated this 6th day of September, 2016.

/s/ Marv Calvin
Mayor

/s/ Kevin Halliday
Attest: City Clerk

Item No. 5 Chief Felt noted the Willmar Police Department has participated with the Willmar Wal-Mart for over 10 years in the Shop with a Cop program. For this program, officers volunteer their time to assist an underprivileged child in shopping for holiday gifts for the child's family. Gift cards for merchandise are provided through the grant.

The Committee was recommending the Council approve the Willmar Police Department to apply and accept a \$1,000 grant from Wal-Mart Foundation for the Shop with a Cop event. The motion carried.

Resolution No. 6 was introduced by Council Member Christianson, seconded by Council Member Nelsen, reviewed by Mayor Calvin, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 6

Be it resolved, by the City Council of the City of Willmar to support staff's submittal of a grant application to Wal-Mart Foundation for, and the acceptance of, a \$1,000 grant for Shop with a Cop event.

Dated this 6th day of September, 2016.

/s/ Marv Calvin
Mayor

/s/ Kevin Halliday
Attest: City Clerk

Item No. 6 Gary Hildebrand and John Offerman of Energy and Organic Systems, LLC (EOS) presented a proposal to build a waste conversion facility at or near the WWTP. The proposed facility would use bio-solids from the Wastewater Treatment Facility and convert into compressed natural gas, clean water, organic fertilizer, and waste mitigation. After a lengthy discussion, the Committee felt this presentation should be presented to the full Council as this would be a policy discussion. Staff was directed to put this item on a future Council agenda. This was received by the Council for information only.

Item No. 7 Staff opened discussion of possible marketing of the proposed regional projects. Council Member Nelsen said at the last CER Board Meeting this topic was discussed as well. The Committee inquired what the City can legally do to market/educate the public. Staff was directed to contact Attorney Robert Scott to clarify what options are available.

City Attorney Robert Scott was asked if this information was available at this time. Attorney Scott stated Minnesota Statute is very specific about how the City can spend money. The City cannot spend money to market or advocate one side or the other of the referendum. Money can be spent to prepare informational materials that contain information that is in the ballot and factual information of the impact of the tax. The Council received this update for information only.

Item No. 8 Council Member Ahmann brought before the Committee his concern with storm water issues. The Committee directed staff to compile a list of improvements that have been done to improve storm water issues and what further improvements can be made along with estimated costs.

Council Member Christianson mentioned that he spoke with Public Works Superintendent Scott Ledebor regarding four parks that have minimal use. The four parks that were listed were Welshire, Wellin, Canigo, and East Willmar Park. Council Member Nelsen suggested these parks shouldn't be closed but rather turned into green space. These items were received by the Council for information only.

The Public Works/Safety Committee Report for August 23, 2016, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Christianson, seconded by Council Member Fagerlie.

The Labor Relations Committee Report of August 24, 2016 was presented to the Mayor and Council by Council Member Ahmann. There were four items for consideration.

Item No. 1 There were no public comments.

Item No. 2 City Administrator Larry Kruse presented the recent information received from the SWWC Service Cooperative relating to the City's health insurance rates and the options available for the addition of a VEBA/HSA plan for employees. Administrator Kruse informed the Committee that the City fared well with an increase in health insurance premiums of 2.5% for 2017. He reviewed the current health insurance plans and how many family and single policies were in each.

City Administrator Kruse has been working with Gene Thul of the SWWC on a VEBA/HSA plans for the City implementation. It is proposed the City add a VEBA/HSA plan as fourth Health Insurance plan. The Committee discussed three funding variants of a plan with deductibles similar to the Willmar Municipal Utilities (\$2,600 single/\$5,200 family). The plan gaining most support has an employer paid VEBA/HSA contribution for single plans of \$2,600 and family of \$5,200, with a second option for the family to pay a single premium and obtain family coverage without the City making any VEBA or HSA contribution. With this plan, employees can also contribute additional funds towards their HSA account.

| City of Willmar 2017 VEBA/HSA | | | | | | | | |
|-------------------------------|----------------|-------------|----------------|---------------|---------------|-----------------------|-------------------|----------------|
| Option #1 | Family Unit | Premium | Annual Premium | Employee Paid | Employer Paid | VEBA/HSA Contribution | City Annual Costs | Monthly (2017) |
| | Single\$ 2,600 | \$ 505.50 | \$ 6,066.00 | \$ - | \$ 6,066.00 | \$ 2,600.00 | \$ 8,666.00 | \$ 722.17 |
| | Family \$5,200 | \$ 1,410.00 | \$ 16,920.00 | \$ 6,066.00 | \$ 10,854.00 | \$ 5,200.00 | \$ 16,054.00 | \$ 1,337.83 |
| | Family \$5,200 | \$ 1,410.00 | \$ 16,920.00 | \$ 70.50 | \$ 16,849.50 | \$ - | \$ 16,849.50 | \$ 1,404.13 |

Discussion was held pertaining to how best to educate employees on the new plan and which option was the best fit for the family contribution. The Committee was recommending the City in 2017 offer a \$2,600/5,200 VEBA/HAS plan (Option 1). Council Member Mueske moved the recommendation of the Committee. Council Member Anderson seconded the motion, which carried.

Item No. 3 City Administrator Kruse informed the Committee that to date there are not a lot of applications for either position, but he expects more before the closing on August 31st. The Council received this for information.

Item No. 5 The Committee briefly discussed the Labor Committee establishing goals. It was the consensus of the Committee that goals be set at a retreat in the near future. This item was also received for information only.

The Labor Relations Committee Report for August 23, 2016, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Mueske, seconded by Council Member Anderson.

The Community Development Committee Report of September 1, 2016 was presented to the Mayor and Council by Council Member Fagerlie. There were seven items for consideration.

Item No. 1 There were no public comments.

Item No. 2 Staff presented two resolutions calling for the acceptance of airport grants for the airport master plan update and the design work for the rehabilitation of the east taxi lanes. The projects have a 90 percent Federal, 5 percent State, and 5 percent City split with the City's share being \$19,376.10.

It was the Committee's recommendation to the Council to adopt a resolution accepting and authorizing the execution of the Federal Aviation Administration grant.

Resolution No. 7 was introduced by Council Member Fagerlie, seconded by Council Member Nelsen, reviewed by Mayor Calvin, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 7

AUTHORIZATION TO EXECUTE FEDERAL AVIATION ADMINISTRATION GRANT AGREEMENT FOR AIRPORT MASTER PLAN UPDATE AND TAXILANE REHABILITATION (DESIGN)

IT IS RESOLVED by the City of Willmar as follows:

1. That the Federal Aviation Administration grant agreement 3-27-0115-010-2016 "Grant Agreement for Update Airport Master plan study, including airport layout plan; rehabilitate taxilanes (2,800' x 35')-(DESIGN)" for the Willmar Municipal Airport is accepted.
2. That the City Administrator and City Attorney are authorized to execute this agreement and any amendments on behalf of the City of Willmar.

Dated this 6th day of September, 2016.

/s/ Marv Calvin
Mayor

/s/ Kevin Halliday
Attest: City Clerk

The Committee was also recommending the Council adopt a resolution accepting and authorizing the execution of the Minnesota Department of Transportation grant.

Resolution No. 8 was introduced by Council Member Fagerlie, seconded by Council Member Nelsen, reviewed by Mayor Calvin, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 8

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR
AIRPORT MASTER PLAN UPDATE AND TAXILANE REHABILITATION (DESIGN)

IT IS RESOLVED by the City of Willmar as follows:

1. That the Minnesota Department of Transportation grant agreement MNDOT Agreement No. 1026455, State Project No. A3401-66 "Grant Agreement for Update Airport Master plan study; rehabilitate taxilanes - (design)" for the Willmar Municipal Airport is accepted.
2. That the Mayor and City Administrator are authorized to execute this agreement and any amendments on behalf of the City of Willmar.

Dated this 6th day of September, 2016.

/s/ Marv Calvin
Mayor

/s/ Kevin Halliday
Attest: City Clerk

Council Member Johnson requested that, over the course of the year, the capital improvement budget expenditures be tracked for a comparison to the amounts budgeted.

Item No. 3 Megan DeSchepper, Planner/Airport Manager, reviewed the history and the process for the selection of a new FBO. RFP's were solicited and the City received two proposals. An interview committee interviewed both and, following the review of their proposals and the interviews, had recommended to the Council that the City select Oasis Aero as the new FBO and to pursue negotiation of a contract with them. The Council discussed the recommendation and how to best integrate a new FBO into the airport. Council Member Plowman said he was impressed by the process. All the steps were timely, documented, and carefully taken. He said the City was fortunate to have two proposals. The Committee briefly discussed the need for a full-time airport manager. It was acknowledged that the right FBO could serve as the site manager as well.

The Committee was recommending the Council select Oasis Aero as the new FBO and to pursue negotiation of an FBO Agreement. Council Member Fagerlie moved the recommendation of the Committee. Council Member Plowman seconded the motion, which carried.

Item No. 4 Public Works Director Christensen provided background on the project. The roof has been bid twice; both times the bids far exceeded the estimates. The roof continues to deteriorate as it leaks in rain events and the wooden shakes are blowing off. The Committee discussed possible ways to re-bid the project, as well as reasons for the bids coming in so high. Mr. Christensen said there were really three options: (A) reject all bids, (B) find a way to fund the difference in 2016, or (C) push it to a future capital improvement plan.

It was the recommendation of the Committee to reject the bid received. Council Member Fagerlie moved the recommendation to reject the one bid for the Civic Center Roof. Council Member Anderson seconded the motion, which carried.

Item No. 5 Planning and Development Services Director Peterson presented a proposal generated by staff to assist the Curling Club with their proposed project. At a previous meeting, the Council

had agreed with the concept of providing a site and providing some site assistance, but had asked staff to quantify the cost. Staff has done that and offered a proposal to assist the Curling Club by providing a site, sewer and water to the building, and a minimal amount of site work in a not to exceed amount of \$15,500.

The Committee was recommending the Council make a formal proposal that subject to negotiating an acceptable lease with the Curling Club, the City of Willmar agrees to provide an accessible site at the Civic Center property, limited excavation and soil correction, and water and sanitary sewer connections to the building in a not to exceed amount of \$15,500. Council Member Fagerlie moved the recommendation of the Committee to make some site improvements in conjunction with the Curling Club. Council Member Nelsen seconded the motion.

Council Member Christianson expressed his concern for future costs for the facility and its maintenance on City property questioning proof of the Clubs ability to pay. Council Member Mueske inquired as to how the Committee arrived at the \$15,500 figure. Planning and Development Services Director Peterson stated staff considered maximum runs of sewer and water of 100 feet each for a total of \$10,000 for sewer and water. The soil borings were quite good and showed a minimum amount of corrections and based on 2016 bids prices \$5,500 was estimated for the dirt work.

Troy Gorans, 7891 – 105th Avenue SE, came before the Council to clarify questions pertaining to the budget. He stated the Curling Club does have operating budgets for the first and fifth years. He stated other 100/200 member curling clubs in the state do cash flow their facilities. The motion to participate in the site improvements for a not-to-exceed figure of \$15,500 carried with 7 Ayes and 1 No. Council Member Christianson cast the “no” vote.

Item No. 6 Staff presented a proposal to waive plan review fees for rehabilitation permits necessitated by the recent flooding. The Committee discussed the extent of the flooding and the speed at which repairs can be made to the damaged properties. City Attorney Scott had provided an email to the Council outlining his review of the law regarding waiving permit fees. Staff told the Committee that there had been very little push-back from property owners or contractors regarding permits and fees for the flood damage rehab work.

The Committee was recommending the Council adopt a resolution that allows the City to waive plan review fees for all permits issued due to flood damage, and that no permit fees be charged for replacement of furnaces, water heaters, and water softeners damaged by the flood. The forgiveness period is to be in effect through the end of October 2016.

Resolution No. 9 was introduced by Council Member Fagerlie, seconded by Council Member Nelsen. The Council discussed the recommendation of the Committee with the addition of the friendly amendment to extend this to remain in effect through the end of 2016. Resolution No. 9 was reviewed by Mayor Calvin, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 9

WHEREAS, the City Council of the City of Willmar has by resolution duly established fees for building permits and plan reviews pursuant to its authority under Minn. Stat. § 326B.153 and Minn. R. 1300.0160.

WHEREAS, the City of Willmar and its residents were impacted by a record rainfall event on August 10-11, 2016, which caused extensive flood damage to residences and businesses in the City, particularly to furnaces, water heaters and water softeners located in basements where water collected.

WHEREAS, the City Council finds and determines that it is in the public interest to offer limited assistance to its citizens who suffered flood damage to their properties during the record rainfall event by temporarily providing relief from building permit and plan review fees imposed by the City for qualifying

projects to repair flood damaged property and/or replace damaged equipment, pursuant to the specific terms set forth herein.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar, Minnesota, as follows:

1. That the City shall temporarily waive plan review fees for all building permits for projects demonstrated to be necessary to repair damage caused by flooding from the August 10-11, 2016 rainfall event and applied for on or before December 31, 2016.
2. That the City shall temporarily waive building permit fees for the replacement of furnaces, water heaters and water softeners damaged by flooding from the August 10-11, 2016 rainfall event and applied for on or before December 31, 2016.
3. That the City will continue to collect the surcharge proscribed by Minn. Stat. § 326B.148 on the original building permit fee amounts as stated in resolution and transfer such amounts to the state as required by law.

Dated this 6th day of September, 2016.

/s/ Marv Calvin
Mayor

/s/ Kevin Halliday
Attest: City Clerk

Item No. 8 Public Works Director Christensen presented a request to remove and replace the concrete driveway at the Willmar Fire Station. The 2016 CIP included \$34,000 for the work. A low quote in the amount of \$30,223.40 was received. The work will be completed yet this season.

The Committee was recommending the Council adopt a resolution accepting the quote from Haats Masonry in the amount of \$30,223.40 and authorizing the Mayor and the Administrator to execute the contract

Resolution No. 10 was introduced by Council Member Fagerlie, seconded by Council Member Anderson, reviewed by Mayor Calvin, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 10

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, the quote of Haats Masonry, LLC for removal and replacement of the concrete driveway at the Willmar Fire Station is accepted, and be it further resolved the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the bidder for the terms and consideration of the contract in the amount of \$30,223.40.

Dated this 6th day of September, 2016.

/s/ Marv Calvin
Mayor

/s/ Kevin Halliday
Attest: City Clerk

The Community Development Committee Report for September 1, 2016, was approved as presented and ordered placed on file in the City Clerk's Office upon motion by Council Member Fagerlie, seconded by Council Member Nelsen.

City Clerk-Treasurer Kevin Halliday presented for consideration of certification unpaid utility charges as a lien. Section 16-127 of the Willmar City Code states that such unpaid utility bills represent a lien on the real property receiving utility services; and Willmar Municipal Utilities Commission has offered the owner the right to request an appearance before the Commission to make objections to payment. After holding such hearing, the Willmar Municipal Utilities Commission has adopted Resolution No. 39 on August 8, 2016, requesting that the Willmar City Clerk-Treasurer certify the unpaid utility charges as a lien on the real property for charges totaling \$72,358.49 and to certify to the County Auditor for collection along with other taxes.

Resolution No. 11 was introduced by Council Member Christianson, seconded by Council Member Fagerlie, reviewed by Mayor Calvin, and approved on a roll call vote of Ayes 8, Noes 0.

RESOLUTION NO. 11

WHEREAS, Section 16-127 of the Willmar City Code states that such unpaid utility bills represent a lien on the real property receiving utility services; and

WHEREAS, the Willmar Municipal Utilities Commission has offered the owner the right to request an appearance before the Commission to make objections to payment; and

WHEREAS, the Willmar Municipal Utilities Commission has adopted Resolution No. 39 on August 8, 2016, requesting the Willmar City Clerk-Treasurer to certify the unpaid utility charges as a lien on the real property.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Willmar that the amount of the unpaid utility charges totaling \$72,358.49 be certified to the County Auditor to be extended on the tax rolls of such real property in the same manner as other taxes for collecting in 2017 and collected by the County Treasurer, and paid to the City Clerk-Treasurer along with other taxes; and

BE IT FURTHER RESOLVED that the unpaid utility charges be certified against the real property as follows:

1. Parcel No. 95-006-1610
Located at 602 2nd Street SW \$1,403.88
Described as Section 15, Township 119, Range 35, Block 68
FIRST ADDITION TO THE CITY OF WILLMAR
LOTS 1&2 EXC. W 15FT.
2. Parcel No. 95-922-7890
Located at 2106 6th Street SW \$432.07
Described as Section 22, Township 119, Range 35
W.75' OF E.1430' OF THE S. 125' OF N.800' OF SE 1/4.
3. Parcel No. 95-040-0315
Located at 615 16TH Street SW \$347.24
Described as Section 16, Township 119, Range 35, Lot 12, Block 4
BARNSTAD'S ADDITION TO THE CITY OF WILLMAR
4. Parcel No. 95-250-0520
Located at 502 Mary Avenue SE \$407.16
Described as Section 14, Township 119, Range 35, Lot 12, Block 3
GLARUM'S ADDITION TO WILLMAR
5. Parcel No. 95-740-1630
Located at 609 4th Street SE \$1,309.63

Described as Section 14, Township 119, Range 35, Block 11
 SPICER'S ADDITION TO WILLMAR
 LOTS 3 & 12

6. Parcel No. 95-820-0030
 Located at 902 Park Avenue NW \$640.42
 Described as Section 10, Township 119, Range 35, Block 1
 THORPE & LIEN'S ADDITION TO THE CITY OF WILLMAR
 PART OF LOT 2, BLK. 1:COM. AT A PT.176' E.OF SW COR OF LOT 2 TH.N.PARA.TO E. LINE
 LOT 2,80', N.64'30" E.65', TH. S. PARA TO E. LINE OF LOT 2 A DIST. OF 100.05' TO S.LINE
 W.60' ALONG S.LINE TO BEG.
7. Parcel No. 95-916-3450
 Located at 414 15th Street SW \$618.09
 Described as Section 16, Township 119, Range 35
 S'LY 75' OF THAT PART OF LOT 7 OF STATE SUBDIV. LYING S.& E'LY OF WILLMAR -SIOUX
 FALLS RWY. R.O.W. EXC. PART N. OF BECKER AVE.
8. Parcel No. 95-630-0220
 Located at 233 Benson Avenue \$297.14
 Described as Section 14, Township 119, Range 35, Block 2
 PAULSON & SUNDE'S SUBD OF LOT D EASTERN AD
 LOT 1 EXC THE E 29.40' AND ALL OF LOTS 2, 3 & 4.
9. Parcel No. 95-670-0220
 Located at 1205 9th Street SE \$233.84
 Described as Section 23, Township 119, Range 35, Lot 2, Block 2
 PLEASANT VIEW ADDITION TO THE CITY OF WILLMAR
10. Parcel No. 95-280-1210
 Located at 1002 3rd Street SW \$333.16
 Described as Section 15, Township 119, Range 35, Lot 1, Block 7
 HANSON'S ADDITION TO WILLMAR
11. Parcel No. 95-570-0480
 Located at 1105 13th Street SW \$175.93
 Described as Section 15, Township 119, Range 35, Block 3
 NURSERY ADDITION TO THE CITY OF WILLMAR
 LOT 7 OF SUBDIV. OF LOTS 5, 6 & 7
12. Parcel No. 95-009-1030
 Located at 1115 Campbell Avenue NW \$628.50
 Described as Section 15, Township 119, Range 35, Lot 4, Block 132
 SECOND ADDITION TO THE CITY OF WILLMAR
13. Parcel No. 95-715-0080
 Located at 2408 Williams Parkway SW \$468.33
 Described as Section 21, Township 119, Range 35, Lot 8, Block 1
 SOUTHGATE ADDITION
14. Parcel No. 95-671-0700
 Located at 817 Pleasant View Drive SE \$256.18
 Described as Section 23, Township 119, Range 35, Lot 20, Block 4
 PLEASANT VIEW SECOND ADDITION

- | | | |
|-----|---|-------------|
| 15. | Parcel No. 95-006-0470 Located at 521 8 th Street SW Described as Section 15, Township 119, Range 35, Lot 8, Block 60 FIRST ADDITION TO THE CITY OF WILLMAR | \$1088.47 |
| 16. | Parcel No. 95-020-0120 Located at 815 2 nd Street SE Described as Section 14, Township 119, Range 35, Block 2 FIFTH ADDITION TO THE CITY OF WILLMAR N 62 1/2 FT. OF LOT 7 EXC. E. 50 FT. | \$247.63 |
| 17. | Parcel No. 95-480-0010 Located at 1200 5 th Street SW Described as Section 22, Township 119, Range 35, Block 1 LEARY'S ADDITION TO WILLMAR LOTS 1 & 2 | \$172.36 |
| 18. | Parcel No. 95-250-0900 Located at 936 3 rd Street SE Described as Section 14, Township 119, Range 35, Lot 10, Block 5 GLARUM'S ADDITION TO WILLMAR | \$923.09 |
| 19. | Parcel No. 95-665-0240 Located at 1109 Olena Ave SE Described as Section 14, Township 119, Range 35, Lot 14, Block 2 PERKINS FIFTH ADDITION | \$373.62 |
| 20. | Parcel No. 95-922-6050 Located at 400 15 th Avenue SW Described as Section 22, Township 119, Range 35 W. 280.68' OF E.730.68' OF NE1/4 OF NE1/4 EXC. TH. N. 855.60' THEREOF. | \$62,001.75 |

Dated this 6th day of September, 2016.

/s/ Marv Calvin
Mayor

/s/ Kevin Halliday
Attest: City Clerk

Mayor Calvin noted that at the recommendation of Council Member Mueske, he will be forming a Mayor's Task force on Facility needs within the community and asked that each Council Member submit names to him for consideration. The three projects that will be looked at are the Willmar Municipal Utilities buildings and location, new City Hall and a Community Center.

City Administrator Larry Kruse who had requested to speak to the Council presented his 30-day notice of resignation. Mr. Kruse thanked Willmar residents, Department Director, his Administrative Assistant Janell Sommers and City Employees for their help and assistance. Mayor Calvin stated the Mayor and Council accept his resignation and noted that Mr. Kruse had worked hard and thanked him for his work since last December.

Council Member Ahmann made a motion to direct the Mayor to contact the League of Minnesota Cities to establish an interim to fill the City Administrator position until a full-time person can be hired. Council Member Anderson seconded the motion, which carried.

Mayor Calvin noted the next course of business would be to designate a signatory for City business. He has spoken to a staff person Planning and Development Services Director Bruce Peterson who is willing to accept this responsibility if the Council so chooses. Council Member Anderson moved the recommendation to designate Planning and Development Services Director Bruce Peterson as official signatory for the City up to the next 30 days. Council Member Mueske seconded the motion, which carried.

Council Member Christianson suggested there should be a small committee to vet the Interim City Administrator that might be obtained from the League of Minnesota Cities. Council Member Christianson made a motion to appoint the Mayor and Mayor Pro Tempore to vet potential candidates for an Interim City Administrator in conjunction with the LMC and consider others outside as well to bring back to the appropriate committee/full Council. Council Anderson seconded the motion, which carried.

Announcements for Council Committee meeting dates were as follows: Finance, 4:45 p.m., City Hall September 12th, Public Works/Safety, 4:45 p.m., City Hall, September 13th, Labor Relations/Full Council, 4:45 p.m., City Hall, September 14th, and Community Development, 4:45 p.m., City Hall, September 15, 2016.

Council Member Ahmann offered a motion to adjourn the meeting with Council Member Anderson seconding the motion, with carried. The meeting adjourned at 9:20 p.m.

Attest:

MAYOR

SECRETARY TO THE COUNCIL